



Ohio Revised Code

Section 1310.57 Merchant lessee's duties as to rightfully rejected goods - UCC 2A-511.

Effective: November 6, 1992

Legislation: House Bill 693 - 119th General Assembly

(A) Subject to any security interest of a lessee as provided in division (E) of section 1310.54 of the Revised Code, if a lessor or a supplier has no agent or place of business at the market of rejection, a merchant lessee, after rejection of goods in his possession or control, shall follow any reasonable instructions received from the lessor or the supplier with respect to the goods. In the absence of those instructions, a merchant lessee shall make reasonable efforts to sell, lease, or otherwise dispose of the goods for the lessor's account if they threaten to decline in value speedily. Instructions are not reasonable if on demand indemnity for expenses is not forthcoming.

(B) If a merchant lessee, as provided in division (A) of this section, or any other lessee, as provided in section 1310.58 of the Revised Code, disposes of goods, he is entitled to reimbursement either from the lessor or the supplier or out of the proceeds for the reasonable expenses of caring for and disposing of the goods and, if the expenses include no disposition commission, to the commission that is usual in the trade or, if there is none, to a reasonable sum not exceeding ten per cent of the gross proceeds.

(C) In complying with this section or section 1310.58 of the Revised Code, the lessee is held only to good faith. Good faith conduct is neither acceptance or conversion nor the basis of an action for damages.

(D) A purchaser who purchases in good faith from a lessee pursuant to this section or section 1310.58 of the Revised Code takes the goods free of any rights of the lessor and the supplier even though the lessee fails to comply with one or more of the requirements of sections 1310.01 to 1310.78 of the Revised Code.
